

# [NEWS RELEASE]

July 30, 2024 Sumitomo Mitsui Financial Group, Inc

## Publication of the "SMBC Group Sustainability Report 2024"

TOKYO, July 30, 2024 --- Sumitomo Mitsui Financial Group, Inc. (President and Group CEO: Toru Nakashima, hereinafter the Group is collectively referred to as "SMBC Group") hereby announces the publication of "SMBC Group Sustainability Report 2024" (hereinafter referred to as the "Report").

SMBC Group has been issuing separate reports for each social issue, such as the "SMBC Group TCFD Report" for climate change, the "SMBC Group TNFD Report" for natural capital, and the "SMBC Group Human Rights Report" for respect for human rights. However, these social issues are not independent of each other but are closely interconnected, and an integrated approach is considered essential for their resolution.

With this understanding, we have decided to integrate these three reports on climate change, natural capital, and human rights, and additionally include our initiatives related to human capital, to provide stakeholders with a clear direction of SMBC Group's integrated strategy for addressing these social issues. This Report is structured according to the four components recommended by international sustainability disclosure standards: governance, strategy, risk management, and metrics and targets, to outline our strategic direction.

SMBC Group will further actively contribute to the achievement of sustainability by engaging in dialogue with stakeholders and acting together with them, advancing our disclosures as well.

### **Summary of Sustainability Report**

#### Natural Capital Climate Change Contributing to the decarbonization of Accelerating efforts to achieve nature-Strategy the real economy and achieving net positive outcomes as a pioneer in the zero for SMBC Group financial industry Integration Initiatives to address social issues and efforts to Respect for Human Rights **Human Capital** create value through business and by maximizing human resources Creating a positive social impact Building opportunities for each employee with diverse careers and through respect for human rights across the entire supply chain. values to thrive Incorporation into the company-wide risk management framework **Risk Management Environmental and Social Risks** Recognition and incorporation of environmental Climate Change Natural Capital Human Rights and social risks within the company-wide risk management framework, and enhancement of **Risk Analysis** Risk Management Process risk analysis and management processes **Supervisory Structure** Executive Compensation System Governance Supervision by the Board of Directors. Linking sustainability-related indicators Sustainability Committee, etc both quantitatively and qualitatively Overall view of sustainability management in Capability Building **Execution Structure** both supervisory and executive aspects, Establishment of the Group CSuO and Accumulating knowledge and fostering including executive compensation system and Sustainability Division for Fulfilled Growth awareness among officers and employees strengthening of capability building Climate Change/Natural Capital **Human Capital Metrics and Targets** Sustainable finance Investment in Focus Areas Performance indicators related to Strategy GHG reduction Paid leave acquisition rate and Risk Management Loan balance for coal-fired power plant/ Percentage of Women on the coal mining Board of Directors etc

## Major Updates Over the Year

#### **Climate Change**

Strengthening risk-taking for new energy and new technologies, including hydrogen

Enhancing support for transitions: 21 deals approved in FY2023

Transition Finance Playbook: Included steel and automobile sectors

Visualizing sustainability issues: Strategic capital and business alliance with Asuene

> Disclosure of initiatives related to "adaptation" to climate change

#### **Natural Capital**

Contributing to circular economy leveraging strengths of group companies Commencement of natural capital management promotion analysis loans

## **Human Rights**

Addressing human rights through financial inclusion with group companies and partner firms

Expansion of scope and track record disclosure of human rights due diligence

#### **Human Capital**

Establishment of SMBC Group Talent Policy Supporting customers in promoting human capital management

## **Risk Management**

Conducting scenario analysis of chronic physical risks Setting portfolio GHG emission reduction targets for steel/automobile/real estate sector Revision and establishment of policies related to coal-fired power generation, biomass energy generation and coal mining Introduction of Environmental and Social Due Diligence

#### Governance

Majority of the board of directors consists of outside directors

Disclosure of the expertise of members of the Sustainability Committee (a board committee) and the Group CSuO

Holding study sessions and roundtables for management members

(URL)

https://www.smfg.co.jp/english/sustainability/report/pdf/sustainability report e 2024.pdf

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